



COMMISSION OF THE EUROPEAN COMMUNITIES

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REPORT FROM THE COMMISSION TO THE COUNCIL

on the application during the years 1993 to 1995
of Council Directive 92/106/EEC
of 7 December 1992
on the establishment of common rules for certain
types of combined transport of goods between Member States

1. INTRODUCTION

Before Council Directive 92/106 was adopted on 7 December 1992, Community legislation to establish common rules for combined transport already existed.

1.1. Council Directive 75/130/EEC

The main aims of this Directive were to free combined transport from all quantitative restrictions (quotas) and to abolish certain administrative formalities.¹

Directive 75/130 has been amended five times.² The main purposes of these amendments were to extend the scope of the measures to:

- the transport of units by inland waterways between Member States, including feeder and final delivery transport by road;
- the reimbursement of national road tax on vehicles used in combined transport;
- own-account combined transport operations;
- abolish compulsory tariffs on feeder and final delivery road haulage legs.

1.2. Council Directive 92/106/EEC

Council Directive 92/106/EEC of 7 December 1992 on the establishment of common rules for certain types of combined transport of goods between Member States³ is a consolidated version of Directive 75/130/EEC of 17 February 1975.

Directive 92/106/EEC is intended to liberalise from any authorisation the initial and final leg of a combined transport operation involving rail, inland waterways and also maritime services where this section exceeds 100 km as the crow flies. The road sections are subject to the same limits as those applied to road haulage linked to inland waterway transport.

The goal of Directive 92/106 can be summarised by the following recital:

“Whereas the increasing problems relating to road congestion, the environment and safety call, in the public interest, for the further development of combined transport as an alternative to road transport;”

¹ Directive 75/130/EEC of 17 February 1975, OJ No L 48, 17.2.1975, p.31

² Directive 79/5/EEC of 19 December 1978, OJ No L 5, 9.1.1979, p.33

Directive 82/3/EEC of 21 December 1981, OJ No L 5, 9.1.1982, p.12

Directive 82/603/EEC of 28 July 1982, OJ No L 247, 23.8.1982, p.6

Directive 86/544/EEC of 10 November 1986, OJ No L 320, 15.11.1986, p.33

Directive 91/224/EEC of 27 March 1991, OJ No L 103, 23.4.1991, p.1

³ O.J.L. 368, 17.12.92 p.38

According to Article 5 of Directive 92/106/EEC, the Commission shall draw up a report to the Council on:

the application of Community legislation in this area as well as the economic development of combined transport; and the definition, where necessary, of further measures to promote combined transport.

This report has been drawn up in fulfilment of that obligation.

In compiling the report, the Commission sent a questionnaire to the Member States and professional bodies concerned. The report covers the application of the Directive from 1993 to 1995. The statistical tables were prepared using data covering the years 1993-1994, because only for those years sufficient data were available. The analyses contained in the report are to a large extent based on the information provided in the responses, which were received between 23 May 1995 and 11 January 1996. No replies to the questionnaire were received from Greece, Italy and Spain.

The Directive 92/106/EEC describes "combined transport" as follows in Article 1.1:

"For the purposes of this Directive, "combined transport" means the transport of goods between Member States where the lorry, trailer, semi-trailer, with or without tractor unit, swap body or container of 20 feet or more uses the road on the initial or final leg of the journey and, on the other leg, rail or inland waterway or maritime services where this section exceeds 100 km as the crow flies and make the initial or final road transport leg of the journey;

- between the point where the goods are loaded and the nearest suitable rail loading station for the initial leg, and between the nearest suitable rail unloading station and the point where the goods are unloaded for the final leg, or,
- within a radius not exceeding 150 km as the crow flies from the inland waterway port or seaport of loading or unloading"

2. APPLICATION OF DIRECTIVE 92/106/EEC

2.1. Transposal into national legislation

Under Article 10 of Directive 92/106/EEC, the Member States are required to comply with that Directive by 1 July 1993. The Member States, with only a few exceptions, have transposed Directive 92/106 into national legislation. In the cases where only part of the Directive has been transposed or where the legislation has not yet been adopted at the time of writing this report, the Commission has started infringement proceedings in accordance with Article 169 of the EC Treaty.

2.2. Failure to apply the provisions of the Directive correctly

Following a complaint made by a road transport company, the Commission observed that, in contravention of Article 2 of Directive 75/130, Italy had imposed quotas on the authorizations issued to vehicles used exclusively for road transport on feeder or final delivery legs in combined transport operations in Italy, even where the vehicles concerned were registered in Italy. The Commission brought an action at the Court of Justice, which on 7 May 1992 delivered a judgment in favour of the Commission, finding against Italy (Case 45/89).

According to a road hauliers association, a certain Member State still maintains a system of authorisations for combined transport. In October 1996, the Commission decided to send a letter of formal notice to the Authorities concerned, because they had not answered requests for information.

2.3. Application of the Directive's tax-related provisions

2.3.1 General

Directive 82/603/EEC set up a system of tax incentives to promote the use of combined transport. Article 8 permitted the Member States to reduce or reimburse certain taxes on road vehicles used for combined transport operations, either "by a standard amount or in proportion to the journeys that such vehicles undertake by rail" in the Member States in which they are registered. Article 8 also authorized Member States to extend tax reductions or reimbursements to take account of part or all of rail mileage outside their territory.

In 1990 the Commission presented a proposal for amendments to Directive 75/130,⁴ one of which involved making these reductions compulsory for the entire rail leg. The Council did not adopt this measure.

In 1992, by adopting Directive 92/106 and by virtue of its Article 6.1, the following obligation has been created:

"Member States shall take the measures necessary to ensure that the taxes listed in paragraph 3 which are applicable to road vehicles (lorries, tractors, trailers or semi-trailers) when routed in combined transport are reduced or reimbursed

⁴ COM (90) 564

either by a standard amount, or in proportion to the journeys that such vehicles undertake by rail, within limits and in accordance with conditions and rules they fix after consultation with the Commission.”

It has to be pointed out that Member States have applied Article 6.1., concerning tax rebates, of Directive 92/106 only to combined road/rail transport, mainly to rolling road. Other kinds of combined transport, inter alia those involving inland waterways or short sea transport, do not benefit from these rebates from the taxes mentioned in paragraph 3 of Article 6.1 of Directive 92/106.

Member States however, are allowed by Directive 92/106 to give some other tax rebates as follows:

-first, “Member States may, however, grant these reductions or reimbursements on the basis of the rail journeys which take place partially or wholly outside the Member State in which the vehicles are registered.”

-second, “...vehicles used exclusively for road haulage in feeder or final delivery carriage by combined transport may be exempted, if they are taxed separately, from the taxes listed....”.

2.3.2 Member States where these tax measures have practical effects:

Germany has since 1979 granted tax reductions for road vehicles involved in combined transport, according to the number of rail transports carried out. Vehicles used exclusively for transport to and from terminals are exempted. The annual total amounts to about 12,5 MECU (24 million DM).

France has since 1979 granted reductions on axle tax for road hauliers using combined rail/road transport. These amount to 75% of the tax fixed for the haulage zone.

Italy, according to the last report on Directive 92/106, reimburses road tax and regional surtaxes to vehicles using rail, the total amount is not known.

Austrian vehicles exclusively involved in transport to and from terminals have an exemption from road vehicle tax. Besides, for each rail transport of an Austrian vehicle a tax rebate of 15 % of the monthly tax is given. For this about 5 MECU (70 million Schillings) a year are paid by the Austrian Government.

2.3.3 Member States where these tax measures have no practical effect:

In the United Kingdom tax rebates for whole vehicles used in combined transport (the type called rolling road) are provided for, because Vehicle Excise Duty is only levied on motorized vehicles. However, according to the reply, transport of such vehicles by rail is not currently possible in the UK because of loading gauge restrictions.

In Belgium reimbursement is possible for the rail-distance travelled by taxed vehicles within Belgium, but no reimbursements have in fact been made. Belgium has informed the Commission this is because of the short distances covered within this country for which refunds could be asked and the administrative workload involved. For the Netherlands there was no effect

because of tax rebates are only possible for each individual vehicle being taxed. Given that in the Dutch market, combined transport operations involving complete road vehicles are not generally executed, tax rebates given have been therefore negligible. In Finland almost nothing had to be paid. In Sweden only vehicles that use rail for more than 60 days are eligible for tax rebates. There were no applications for tax reductions in Sweden.

DK, El, E, IRL, L and P did not reply this question. From the last report on directive 92/106 it is known however that DK, El, E, IRL and L did not make reimbursements.

2.3.4 Conclusions on tax rebates

In conclusion, the present tax provisions have not been used in most Member States. Also, the application of the obligatory tax provision is limited to one type of combined transport: the rail transport of certain vehicles. In practice, this limits the application in many tax systems to rolling road. Therefore, there is little practical effect on the development of combined transport. It should be recognised, that combinations with inland waterway transport and short sea shipping can also make a contribution to making transport sustainable. Since for the long haul the roads are not used in such cases, rebates of road taxes can be justified. The question can be asked as well, whether it is justified as long as external costs of road transport are not fully internalised, to mitigate the resulting negative impact on combined transport through a reduction in taxation of combined transport.

Ways to extend the practical use of the tax provisions to Member States that presently do not use them and to combined transport involving short sea transport or inland waterways have to be considered. Basically, there are two options: an extension of the scope of voluntary exemptions or an increase in the types of combined transport operations where exemptions are mandatory.

2.4. Application of the Directive's provisions related to *initial or final road delivery*

Member States did not supply specific information on the effects of these provisions concerning the liberalisation of initial or final road legs of combined transports. In Italy an organisation for these initial and delivery transports by road was founded. In the 4th Framework programme a study on wider application of this idea has recently been accepted for co-financing by the Commission.

From the first of July 1998, road haulage cabotage will be free from authorisation⁵. As until now combined transport operations were already free from authorisation, they will lose some of their competitive advantage and therefore, the Commission will, if necessary, reconsider the relevant provisions of Directive 92/106/EEC.

⁵ Regulation 3118/93 of 25 October 1993, Article 12.2, OJ No. L 279, 12.11.1993, p. 1.

3. ECONOMIC DEVELOPMENT OF THE SECTOR

3.1. Statistical trends in Europe

3.1.1 Combined Transport in TEU

The following table 1 shows:

- the total number of units moved in combined transport expressed in TEU;
- the growth between 1993 and 1994, because only for those recent years the services of the Commission have figures available for all modes and types of units involved in combined transport; the figures for 1990 from the previous Commission report⁶ are used as a reference.
- Due to the non-standardised figures available, the table contains best estimates.
- A more extensive table also showing the relative importance of the different types of units can be found in Annex 1. There, also the explanatory remarks and other comments concerning the statistics available are dealt with.

Table 1 trends for combined transport, converted in TEU

| | Source | 1990 | 1993 | 1994 |
|--|-------------|-----------|-----------|-----------|
| Total TEU in combined transport ex short sea transport | see Annex 1 | 4 884 000 | 6 707 000 | 7 640 000 |

3.1.2 Conclusion from table 1

The number of TEU transported in combined transport is impressive, the growth from 1990 till 1994 was almost 60%.

3.1.3 Attempt to compare road, rail freight and combined transport

Ideally this should be done in millions of tonne kilometres (tkm), but especially for inland waterways and national container transport no figures directly suitable are available. So estimates had to be made, the sources used are in Annex 1.

Table 2 trends in million tonne-kilometre

| | 1993 | 1994 |
|--|---------|-----------|
| <u>road</u> | 964 000 | 1 061 000 |
| <u>rail freight transport</u> | 205 000 | 220 000 |
| <u>total combined transport ex short sea transport</u> | 47 392 | 51 972 |

⁶ COM (93) 394

Table 2 shows that, when combined transport is compared with road transport in tkm, combined transport is about 5% of road transport. When this figure is related to the goal of the further development of combined transport as an alternative to road transport, as expressed by the recital cited in paragraph 1.2 above, this percentage is still small. When, however, combined transport is compared to rail freight transport again in tkm, combined transport is about 23% of rail transport of cargo.

3.1.4 Conclusion on the comparison of road, rail and combined transport

The comparison of road with combined transport shows that in tkm combined transport is about 5% of road transport. This is still a small percentage, when related to the goal of further development of combined transport as an alternative to road transport. It has to be pointed out that in the years considered, road transport also increased its share of the total transport market. Related to rail transport, combined transport is significant already.

3.1.5 Conclusion concerning the quality of the statistics

There is a need for more uniform statistics. The Commission is currently working on this.

Eurostat should develop an appropriate data collection system by working towards a standard and harmonised reporting structure, with assured protection of business interests.

3.1.6 Combined transport of containers by inland waterways

In the years considered (from 1993 to 1994), container transport by inland waterways increased by about 10%. The most important relations are those in the triangle between the ports of Rotterdam and Antwerp and the Rhine. These transports between Antwerp and Rotterdam are not all within the description of combined transport, because often there will be no road link. However, they generally replace road transport. Also, from Lille to these ports and on the Danube container transports are taking off, with some initial help from the PACT programme, through which during the years 1993-1996 a number of Pilot Actions for Combined Transport have been co-financed with Commission funds.⁷

3.1.7 Container transport involving rail

The transport of containers involving a rail link grew even more than those by inland waterways. Intercontainer (ICF) attributes this to a general economic recovery and to the start of complete trains. Compared with 1993, the growth in TEU was 15% (source ICF). In 1995 the numbers were stable, but in tonne-kilometres the growth was about 2% (source SGKV report 1995).

⁷ Commission Decision 93/45/EEC of 22 December 1992, OJ No L 16, 25.1.1993, p.55

Intercontainer's report was not specific on the routes served, however ICF stated that growth has been due to new trains.

3.1.8 Road/Rail combined transport of swap bodies, semi-trailers, and Rolling Road (trucks-on-train)

According to the figures from UIRR, the number of swap bodies (including containers in UIRR figures) and vehicles by rolling road increased by about 20%. According to the UIRR report concerning 1995 however, the long term trend towards the swap body remains unbroken, because in tonne-kilometres the growth of the rolling-road is less pronounced. In 1995 the UIRR companies registered a growth of 5,6 %, due in particular to international transport (source SGKV report 1995). The 11 member companies within the EU serve a great number of routes between them and with several Central and Eastern European countries. According to the 1994 UIRR report, two thirds of their international road/rail transports were transalpine.

3.1.9 Semi-trailers and trucks on ships

These units are not transported by inland waterways in significant numbers except on the Danube. In short sea shipping, it is difficult to distinguish statistically between short haul ferries (up to 100 km) and short sea shipping as part of combined transport. For this reason no figures for this kind of transport were used in the tables.

3.2. Market organisation

3.2.1 Combined transport involving rail

Combined transport operators are, since several years, free to carry out all types of combined transport operations. Especially in the swap body and container sectors this has led to more competition. Besides, ICF mentions the exploitation of hubs as an organisational improvement.

The Council has adopted on 29 July 1991 Directive 91/440/EEC⁸, which, inter alia, gives access rights to railway undertakings and also to international groupings of railway undertakings to use railway infrastructure throughout the Community to carry out international combined transport operations. This policy measure is designed to give an impetus to the development of combined transport. A number of Member States have not transposed art 10 of this Directive, but elsewhere several alliances for international combined transport have been formed.

3.2.2 Combined transport involving inland waterways

The Rhine is the backbone of containertransport with barges. Freedom of navigation, the spirit of enterprise and strict schedules, combined with a high

⁸ OJ No L 237, 24.8.91, p.25

capacity waterway and the number of containers transhipped in Antwerp and Rotterdam created this success. Between Rotterdam and the German Hinterland, inland waterway transport has a market share of 35 % of container transport according to the "Union Internationale de la Navigation Fluviale".

The importance of the transport of containers by barge between Antwerp and Rotterdam v.v. is remarkable, because the distance involved is only short. This was made possible by the characteristics ("Ausbauzustand") of the Scheldt-Rhine link and has been realised by the efficient use of shuttles.

The inland waterway operators engaged in container transport are both shipping companies and single ship owners ('artisans'). The organisation is often in groups to provide more frequent and regular sailings.

3.2.3 Combined transport involving short sea shipping.

Combined transport involving short sea shipping includes:

- feeder traffic, mainly between the major ports in the Hamburg-Le Havre range and ports in all regions of Europe and feeder traffic within the Mediterranean;
- Roll on/Roll off (Ro/Ro) services for road vehicles and regular Lift on-Lift off (Lo/Lo) services for containers, which link especially Member States on the periphery of the Community with their neighbours, with central areas and also connects mainlands and major islands.

The Commission's Communication on the development of Short Sea shipping in Europe⁹ includes an action programme with recommended measures for improving the quality and efficiency of short sea shipping services as a prelude to shifting traffic from road to sea.

3.3. The competitive position of combined transport

3.3.1 Remarks on the competitive position of combined transport

As stated in the Commission Communication concerning an action programme to promote the combined transport of goods,¹⁰ combined transport is not yet always able to compete effectively with road even on longer distances. The first problem is the lack of internalisation of external costs especially in road transport, which is discussed in depth in the framework of the Green Paper of the Commission on "Fair and Efficient Pricing"¹¹. The second problem relates to the different levels of enforcement in the Member States of the legislation on driving times for road transport. If this legislation would be enforced fully, the resulting compliance with the limits on driving times in road transport of goods would lead to many long road transport trips being made by two drivers per truck. By raising the costs of single mode road transport, this would improve the competitive position of combined transport. Concerning driving times, the Commission is working on

⁹ Com(95)317

¹⁰ Communication to the Council COM (96) 335 of 24.07.1996

¹¹ Com(95) 691 final

replacing the present tachograph by an electronic device.¹² Third, overloading in road transport still distorts competition with the rail. Due to technical constraints, combined transport operations with a gross weight of more than 44 t for the entire vehicle will face difficulties in some cases. Maximum gross weight in general and a specific 44 t exemption for combined transport gives a general idea about whether combined transport in a particular country has a specific advantage in case of heavy transport. Now, only the road hauliers are punished when they are found by the police to carry an overload. However, they are often under pressure by their principals to accept an overload. If shippers could be held responsible for this as well, pressure on road hauliers would diminish and the competitive position of combined transport would be improved. The legal issues involved, especially whether this is a possibility within Community legislation, still have to be studied.

Besides, combined transport also requires expensive transshipment operations and intermodal equipment, this is a structural disadvantage. Last but not least, the use of information technology required for combined transport is not yet sufficient, to make these complicated operations competitive with road transport. By presenting a proposal for a Council Regulation concerning the granting of Community financial assistance for actions to promote combined goods transport, the Commission is contributing to the improvement of the last two points.¹³

3.3.2 Conclusion on the competitive position

Combined transport still cannot compete with long distance road transport in all cases, because of remaining distortions of competition by road transport and some structural problems of combined transport itself.

4. SUGGESTIONS FOR MEASURES ON EU LEVEL

4.1 Suggestions by Member States

4.1.1 Measures to promote combined transport

- B states that investments in infrastructure and the establishment of regular services should be supported. Infrastructure improvement should be coherent.
- NL wants to be able to cover initial losses of shuttles, because less than full utilisation is said to be inevitable on new links during the first two years. More funds for the TEN for intermodal should be considered.
- A suggests that as long as total costs of road transport are not covered, public service contracts for combined transport should be possible and also operational subsidies for Alpine crossing transports should be allowed.
- F states that state aids for use of infrastructure should be made possible.

¹² Com(94)323 final, JO No 243 of 31.8.1994 p. 8, modified by Com(95) 550 final, JO No C25 of 31.1.1996 p. 5

¹³ Communication to the Council COM (96) 335 of 24.07.1996

- FIN names: financial aid, technology development and promotion of competition.
- P and several other countries want PACT¹⁴ to be made permanent.
- Several countries (B, A) stated that internal frontier-crossings still need attention.
- DK points out if road transport costs included real infrastructure costs, that would promote combined transport.
- IRL states that the promotion of combined transport should recognise the importance of road transport.
- D suggests that, because of the liberalisation in road transport, the competitiveness of combined transport has deteriorated, therefore the High Level Group on Combined Transport¹⁵ should be reconvened.
- D also maintains that the arrangement for transport of 44 tonnes, at present applicable if a 40-foot ISO container is carried as part of a combined transport operation, should be extended to all different kinds of combined transport of all units under the same conditions.
- F cautions against extending the definition of combined transport by widening the definition to sea-road. The extension to 44 tonnes should be limited to rail-road and inland waterway-road.
- UK prefers to encourage the carriage of freight by rail in general and extended the 44 tonnes measure to swap bodies in road-rail transport.

4.1.2 Commission conclusions on measures suggested by Member States

The measures mentioned do not all fit within the context of a revision of Directive 92/106/EEC. Some concern state aids in Regulation 1107/70¹⁶, TEN¹⁷, Community financial assistance (PACT see 3.1.6 above) or even measures in the area of frontier controls. The Commission sees them as a reminder that more work has to be done to promote intermodal transport also outside the revision of Directive 92/106.

¹⁴ At the time of writing their response letters Member States could only refer to the Commission Decision of 1992 mentioned in paragraph 3.1.6.

¹⁵ the High Level Group on Combined Transport made up of representatives of the Member States and other interested parties, met in the years 1990-1992 to advise the the Commission.

¹⁶ The measures concerning combined transport of Regulation 1107/70 were lastly prolonged until 31 December 1997 by Regulation No 543/97 of the Council of 17 March 1997, OJ No L 84, 26.3.1997 p. 6.

¹⁷ trans European transport network, Decision No 1692/96/EG of 23 juli 1996, OJ No L 228 of 9.9.1996, p. 1

Several Member States however, are interested in the possibility of allowing in all Member States at least the 44 tonnes weight limit for initial and final road transport in the context of every combined transport operation. The French suggestion that it should not apply to sea-road transport, would pose new restrictions on combined transport with a short sea shipping leg. However, care should be taken that further measures should promote those sea-land transports where the major part of the Community journey is by sea, rail or inland waterways and the road leg should remain limited. It should be considered to allow in all Member States the initial and final road transport of 44 tonnes maximum weight as part of all combined transport. In considering this, account should be taken of the following points as well:

- The Commission has presented a proposal ¹⁸ to harmonise throughout the EC the weight limit to 44 tonnes for all road transport. However, Member States did not retain this part of the proposal when they adopted Directive 96/53/EC ¹⁹. Presently, therefore, each Member State can set national weight limits and, as allowed by Article 4.2. of that directive, introduce the 44 tonne weight limit in domestic transport. The Commission proposal for a generalised 44 tonnes weight limit formally remains on the table of the Council by virtue of a formal declaration. ²⁰
- If all Member States allowed lorries up to 44 tonnes for the initial and final road transport as part of every combined transport operation, such a derogation from any existing weight limits on their territory would directly benefit the promotion of combined transport. It is not meant to restrict those who presently allow higher weight limits. The other conditions of Directive 96/53/EC as now applicable and the limited distances to terminals by road that now apply to this limit, could remain the same.

4.1.3 Problems on links with third countries

- B sees difficulties concerning external borders, tarification, technical standards of units.
- DK would like the rail infrastructure between D and Poland to be improved.
- D and A mention problems with veterinary controls; these countries and NL propose that such controls should be at terminals of destination for block trains. A further cautions against strict phytosanitary controls at Community borders.

4.1.4 Commission conclusion on links with third countries

The possibilities to make phytosanitary and veterinary controls in the relations with third countries less problematic for combined transport should be

¹⁸ Com(93)679, OJ No. C38 of 8.2.1994

¹⁹ Directive 96/53/EC of 25 July 1996, OJ No. L235, 17.9.96 p. 59

²⁰ Council of 25 July 1996

investigated. This subject, however, comes under the policy area of controls of agricultural products, so it cannot be dealt with in the revision of Directive 92/106.

4.2. Measures suggested by professional bodies

- Intercontainer/Interfrigo (ICF) suggests the following measures in the legal field: restrictions on driving (weekends, nights, holidays) should be lifted for initial and final road legs. They would welcome also an exemption from the Eurovignette²¹, as well as an extension of the Directive to all loading units (this can be interpreted to mean the point concerning 44 tonnes for the road link of all combined transport). All measures should be extended to the whole of Europe.
- The Central Commission for the Navigation on the Rhine requests that the obligatory tax exemptions of Directive 92/106 are extended to combined transport by inland shipping and road.
- The International Union of Combined Road-Rail transport Companies (UIRR) pleads for the shifting of the total costs of transport to those generating them and for more checks on road transport.

4.3. Commission conclusions on measures suggested by professional bodies

There exist restrictions on driving by trucks during weekends, nights and/or holidays in several Member States. Sometimes exemptions are made in favour of combined transport. Until now such restrictions and exemptions are taken at national level, leading to organisational problems for combined transport. The lifting of restrictions on driving by trucks (on weekends, nights, holidays) for initial and final road legs will be studied for combined transport. If those exemptions were general and mandatory, it would be a step to improve the speed and reliability of such transport.

For a discussion on the initial and final transport of 44 tonnes, see 4.1.2.

When possible, the tax exemptions and eventual exemptions from the Eurovignette should apply equally to all kinds of combined transport.

The internalisation of external costs (shifting of costs) is to be dealt with in the framework of the Commission Green Paper on "Fair and Efficient Pricing" and in subsequent legislative actions.

4.4. Other joint measures to promote combined transport

4.4.1 Allowing trucks to carry three 20 foot containers

²¹ Council Directive 93/89/EEC of 25 October 1993 concerning taxes on certain vehicles and tolls and charges, OJ No L 279, 12.11.93, p.32.

Member States could consider allowing lorries to carry 3 containers of 20 foot as part of combined transport operations on their individual territories. According to Article 4.4.(b) of Directive 96/53/EC, each Member State is allowed to do this on its territory, provided the elements (modules) of the trucks comply with the dimensions prescribed by the Directive last mentioned.

Member States decide the conditions, taking into account safety considerations. Since the composing vehicle elements are acceptable throughout the Community, additional harmonisation of legislation is not called for.

4.4.2. Quality

- The quality of combined transport should be further improved by standardisation of stackable units more suitable for short sea transport and inland transport than the present ISO containers.

Here, especially the 45 foot (13,72 m) containers come to mind. Those which measure 45 foot between the side corners are outside the maximum vehicle dimensions fixed at Community level for road transport in Directive 96/53/EC. Therefore, those put in circulation after 17 September 1997 will not be allowed in road transport afterwards, Member States may however allow those in circulation before that date on their roads until 31 December 2006 by virtue of Council Directive 96/53/EC. The 45 foot units mentioned above, when 2,55 m wide, make combined transport more competitive compared to road semi-trailers. They can carry about the same number of pallets but, contrary to swap bodies or semi-trailers, the containers are stackable. On the other hand, preamble no. 6 of Directive 96/53/EC states that dimensions of trucks "should remain stable in the long term". Technical progress could, over time, enable road hauliers to transport containers able to carry the same number of pallets as road semi-trailers within the dimensions allowed.

As regards units for road trains, 7,45 m outside length and 2,55 m width give a suitable loading configuration for unit loads within present European legislation.

- Standards for telematics in intermodal chains should be developed, i.a. one EDI document. Improvements should also be made in the areas of reservation, communication, tracking/tracing and information to customers by telematics.

4.4.3 Conclusion on quality improvements

These quality improvements are not ready for regulation, either in the context of a revision of Directive 92/106 nor in other Community legislation. These are long term issues that require first of all coordination, pilot projects and in some cases further research and development.

5. CONCLUSIONS

5.1. Statistics

5.1.1. Number of units in Combined transport

The number of TEU transported in combined transport is impressive: 7.6 million in 1994. The growth from 1990 till 1994 was almost 60%.

5.1.2. Comparison of road, rail and combined transport

This comparison of road with combined transport shows that in tkm combined transport is about 5% of road transport. This is still a small percentage, when related to the goal of further development of combined transport as an alternative to road transport. It has to be pointed out that in the years considered, road transport also increased its share of the total transport market. When, however combined transport is compared to rail freight transport again in tkm, combined transport is about 23% of rail transport of cargo.

5.1.3. The quality of the statistics

There is a need for more uniform statistics. The Commission is currently working on this.

5.2. Possibilities for measures within a revision of Directive 92/106

Combined transport still cannot compete even with long distance road transport in all cases, in the following some practical measures are considered to improve its competitive position.

5.2.1. Tax provisions

In conclusion, the present tax provisions have not been used in most Member States. Also, the application of the obligatory tax provision is limited to one type of combined transport: the rail transport of certain vehicles. In practice, this limits the application in many tax systems to rolling road. Therefore, there is little practical effect on the development of combined transport. It should be recognised that combinations with inland waterway transport and short sea shipping can also make a contribution to making transport sustainable. Since for the long haul the roads are not used in such cases, rebates of road taxes can be justified. When possible, the tax exemptions and eventual exemptions from the Eurovignette should apply equally to all kinds of combined transport. Another argument may be compensation for external costs not yet fully paid by road transport. Ways to extend the practical use of the tax provisions to Member States that presently do not use them and to combined transport involving short sea transport or inland waterways have to be considered. Basically, there are two options: an extension of the scope of voluntary exemptions and an increase in the types of combined transport operations where exemptions are mandatory.

5.2.2. Initial and final delivery transport

From the first of July 1998, road haulage cabotage will be free from authorisation²². As until now combined transport operations were already free from authorisation, they will lose some of their competitive advantage and therefore, the Commission will, if necessary, reconsider the relevant provisions of Directive 92/106/EEC.

5.2.3. 44 tonnes and combined transport

It should be considered to allow in all Member States the initial and final road transport of 44 tonnes maximum weight as part of every combined transport operation. In considering this, account should be taken of the following points:

- The Commission has presented a proposal to harmonise throughout the EC the weight limit to 44 tonnes for all road transport. However Member States did not retain this part of the proposal when they adopted Directive 96/53/EC. Presently, therefore, each Member State can set national weight limits and, as allowed by Article 4.2. of that directive, introduce the 44 tonne weight limit in domestic transport. The Commission's proposal for a generalised 44 tonnes weight limit formally remains on the table of the Council by virtue of a formal declaration.
- If all Member States allowed lorries up to 44 tonnes for the initial and final road transport as part of every combined transport operation, such a derogation from any existing weight limits on their territory would directly benefit the promotion of combined transport. It is not meant to restrict those who presently allow higher weight limits.

5.2.4. The lifting of restrictions on road legs

The lifting of restrictions on driving by trucks (on weekends, nights, holidays) for initial and final road legs will be studied for combined transport. If those exemptions were general and mandatory, it would be a step to improve the speed and reliability of combined transport.

5.2.5. The report has shown several possibilities for improvement of the Directive 92/106, as listed above in 5.2.1 to 5.2.4. The Commission will adopt, as appropriate, the necessary measures.

However, considering the strong competitive position of road transport these measures cannot, on their own, be sufficient to lead to a really important increase of the share of combined transport in the total transport market.

5.3. Measures outside the scope of Directive 92/106

5.3.1. Allowing trucks to carry three 20 foot containers

- Member States could consider allowing lorries to carry 3 containers of 20 foot as part of combined transport operations on their individual territories. According to Article 4.4.(b) of Directive 96/53/EC, each

²² Regulation 3118/93 of 25 October 1993, Article 12.2, OJ No. L 279, 12.11.1993, p. 1.

Member State is allowed to do this on its territory, provided the elements (modules) of the trucks comply with the dimensions prescribed by the Directive last mentioned.

Member States decide the conditions, taking into account safety considerations. Since the composing vehicle elements are acceptable throughout the Community, additional harmonisation of legislation is not called for.

5.3.2. Overloading and driving times in road transport

Overloading in road transport still distorts competition. If shippers could be held responsible for this as well, pressure on road hauliers to accept overloads would diminish and the competitive position of combined transport would be improved. This could also be improved by full enforcement of the legislation on driving times for road transport.

5.3.3. Phytosanitary and veterinary controls

The possibilities to make phytosanitary and veterinary controls in the relations with third countries less problematic for combined transport should be investigated.

5.3.4. Quality improvements of combined transport

The standardisation of stackable units more suitable for short sea transport and inland combined transport is not ready for regulation. The same goes for standards for telematics in intermodal chains. These are long term issues that require first of all coordination, pilots and in some cases further research and development.

5.3.5. Other measures mentioned to promote combined transport

Other measures mentioned concern state aids in Regulation 1107/70, TEN, Community financial assistance, or measures in the area of internal frontier controls. The Commission sees them as a reminder that more work has to be done to promote intermodal transport also outside the revision of Directive 92/106.

Annex 1

TABLE 1A Statistical trends for each type of unit; converted in TEU

| Type of unit | source | 1990 | 1993 | 1994 |
|--|--|-----------|-----------|-----------|
| A) containers | | | | |
| -short sea | no suitable figures for container and Ro/Ro maritime transport within the description of CT were available in time for this report | | | |
| -sea/rail | ICF | 661 000 | 655 000 | 738 000 |
| -sea/inland waterways | UINF estimate | 460 000 | 1 034 000 | 1 149 000 |
| -road/rail | ICF | 449 000 | 259 000 | 306 000 |
| -road/rail and rail only | D, F, UK national (estimates, no figures for all years) | 1 160 000 | 1 541 000 | 1 650 000 |
| B) swap bodies (incl. containers by UIRR companies) | | | | |
| -road/rail | UIRR | | 2 029 000 | 2 431 000 |
| | ICF | | 235 000 | 280 000 |
| C) Rolling Road | | | | |
| -road/rail | UIRR | | 477 000 | 581 000 |
| D) Semi trailers | | | | |
| -road/rail | UIRR | | 477 000 | 505 000 |
| B+C+D 1990 | | 2 116 000 | | |
| Total TEU in combined transport ex short sea transport | | 4 884 000 | 6 707 000 | 7 640 000 |

Explanatory notes

In container transport one unit is counted here as 1,5 TEU.

UINF is the Union Internationale de la Navigation Fluviale.

ICF means Intercontainer-Interfrigo.

In UIRR (the International Union of Combined Road/Rail Transport Companies) rail/road statistics a consignment is about 2,3 TEU.

SGKV is the "Studiengesellschaft für den kombinierten Verkehr e.V."

Remarks concerning the statistics available.

Several member states reported they had no suitable or only partial statistics available.

The figures of the combined transport organisations are more suitable: there is less overlap. But still a lot of estimates had to be made. There are also definition problems involved, so the improvement of the statistics will take a lot of time.

In order to optimise the use of available resources, Eurostat will be asked to investigate the possibility of utilising existing administrative information by contacting the competent organisations in the Member States.

Concerning table 1A:

the basic figures are sometimes in units, sometimes in TEU. TEU was chosen as a unit for comparison. Containers in some basic material comprise swap bodies. For short sea transport of unit loads within the definition of combined transport, no comparable figures were found. Especially for inland waterways a lot of reasoning had to be done to arrive at global figures. The ICF figures cover a wider area than EU member states, transport to and from CIS is included. The UIRR figures comprise for 1993 62.000 and for 1994 70.000 TEU shipped for export by companies in States, that are not EU Members. National transport was only distinguished from transport between member states when different sources were used. The Commission report of 1993 does not contain comparable figures for inland waterway transport or national transport of containers in 1990. A few comparable figures are available for 1995: UIRR total 3,7 million TEU; ICF 1,3 million TEU (SGKV report on 1995).

The number of vehicles transported by UIRR companies rose from 1.297.344 in 1993 to 1.529.096 in 1994.

TABLE 2A trends in million tkm

| | 1993 | 1994 |
|--|---------|-----------|
| <u>road</u> (source Eurostat) | 964 000 | 1 061 000 |
| <u>rail freight</u> (source Eurostat) | 205.000 | 220.000 |
| <u>combined transport</u> | | |
| - swap bodies, semi-trailers, rolling road (source UIRR) | 22 000 | 23 000 |
| - containers, international by rail (source ICF) | 9 800 | 11 800 |
| - containers inland waterways (estimate) | 6 314 | 7 238 |
| - containers, national by rail (estimate) | 9 278 | 9 934 |
| - short sea transport of units | | |
| <u>Total combined transport</u> | 47 392 | 51 972 |

Concerning table 2A:

for containers by inland waterways the distance in tonne kilometres (tkm) is estimated on the basis of the tonne's per container in German Rhine ports of 6,3 ton and UIRR distance in national transport of 669 km (1994). The same distance figure is used for national container transports. The ICF figures comprise the distance travelled in transport relations with CIS (45 million TEU-km) Instead of ton kilometers, ICF uses TEU kilometers. In rail transport each TEU/km is counted as 9 ton/km (probably fewer empties than inland waterways). Where Eurostat is mentioned in the table, the table used states: "Source: Eurostat, ECMT, estimates where data was missing". For short sea transport of unit loads within the definition of combined transport, no comparable figures were found.

Transported tonnages

The figures available are very limited. However, making an effort to improve them does not seem to be important.

In combined transport of swap bodies, semi-trailers and rolling-road in 1994, a total of 32 662 670 tonnes has been transported. These figures on swap bodies, semi-trailers and rolling-road are collected by UIRR. They include EU (15) plus Switzerland and Central and East European countries. For containers by inland waterways a tonnage of 2 977 000 is mentioned by UINF. This figure concerns only containers in German Rhine ports. For containers by rail or short sea, no EU wide tonne figures were available.

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